

REMARKS/ARGUMENTS

The application has been carefully reviewed in light of the June 2, 2003 Office Action, wherein all claims 1-66 were rejected under 35 U.S.C. §103 as being obvious in light of the Barnett et al. (U.S. Patent No. 6,321,208) patent. In preparation of an August 11, 2003 Interview with the Examiner and his Supervisor James Myhre, Applicant submitted a Proposed Set of Amended Claims and Argument, wherein the claims were amended to further clarify that the invention was directed to frequent shopper program members of a retail store, and that product entitlements in the forms of coupons or a list of entitlements was provided at a dispenser within the store activated by the frequent shopper program member. As will be more fully discussed below, the Examiner and the Applicant did not come to an agreement during the Interview. Applicant has further amended the claims to more positively recite the use of retail store frequent shopper program member data, and particularly individual frequent shopper program member past product purchase history, as Applicant respectfully continues to assert that the Barnett patent does not utilize a frequent shopper program nor incorporate a dispenser within the retail store which is accessible to and activated by frequent shopper program members to obtain the entitlements within the retail store. Based on the following argument, Applicant respectfully traverses the use of the Barnett et al. reference as the system disclosed by this reference and the process of the present invention are fundamentally different. Accordingly, Applicant respectfully requests reconsideration and reexamination of the application.

OBVIOUSNESS CLAIM REJECTIONS

As stated by the MPEP §706.2, to establish a *prima facie* case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves, or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine referenced teachings. Second, there must be a reasonable expectation of success. Finally, the prior art references must each or

suggest all the claimed limitations. The teaching or suggestion to make the claim combination and the reasonable expectation of success must both be found in the prior art and not based on Applicant's disclosure.

The Barnett et al. patent discloses an Internet-based system wherein those interested in subscribing to the service log on to a web-site and join as a member of the service. The user preferably provides demographic information to assist the on-line coupon provider a guide as to which coupon package to send to the subscriber. For example, if the user of the system has pets or small children, a coupon packet which includes coupons for pet food, sugared cereal, etc. can be sent. The user must then view all of the coupons in the coupon package and electronically "clip" those coupons which he or she is interested in and print these coupons on a printer connected to the user's personal computer. The "clipped" coupons can be arranged such that similar coupon items are grouped with other similar coupon items as the coupons are printed. The user then takes these coupons to any store which will redeem them. These coupons are similar to the coupons received in the mail or in the free-standing inserts (FSI's) included in the Sunday's newspapers.

The present invention, as recited in the claims and as discussed in the specification, resides in a process for distributing product entitlements, in a retail store to frequent shopper program members of the retail store. The term "frequent shopper program member" is one that is well-known in the retail, and particularly grocery, field. Customers of the grocery store obtain frequent shopper program cards or numbers in order to take advantage of store-specific promotional offers. For example, the retail store may offer the same product at two different prices. A frequent shopper program member having a card including an account number, magnetic swipe bar, or a bar code can take advantage of the lower prices. The retail store is able to develop customer loyalty using such programs, as well as promoting "store brand" products, and track purchasing history for internal purposes.

The present invention utilizes the well-known frequent shopper programs as a vehicle for issuing printed coupons or product promotional entitlement lists. The frequent shopper program member merely need approach a dispenser provided in the retail store and scan his or her card or enter his or her account

number in order to receive a predetermined number of preselected and automatically generated coupons, or a listing of entitlements, at the dispenser. These coupons are electronically generated based upon a comparison of the frequent shopper program member's past product purchases which were made in association with the frequent shopper program member's account number. Typically, a frequent shopper program member will identify his or her account number at the register in order to avail himself or herself of the then-available promotions. However, all products which are purchases are tracked and maintained in a database, whether they be the subject of a promotion, coupon or regularly priced.

For example, if the frequent shopper program member typically purchases detergent "A", the present invention can be utilized by issuing the frequent shopper program member a coupon for detergent "B" in an attempt to expose the frequent shopper program member to that product and gain the shopper's loyalty to that brand. The coupons or lists generated at the dispenser are not controlled in any manner by the frequent shopper program member. Instead, they are electronically generated beforehand and automatically dispensed. The frequent shopper program member may use all or none of the product entitlements at that particular retail store or chain of stores either on that shopping trip or before the expiration date of the coupon or entitlement.

Applicant believes that it was undisputed that in the Interview, that the Barnett et al. patent does not disclose the use of data obtained from a frequent shopper program. However, the Examiner asserted that Barnett et al. does disclose the use of "historical purchasing patterns". However, a close review of the Barnett et al. patent discloses that such "historical purchasing patterns" consist exclusively of lifestyle/demographic/zip code and other volunteered information provided during the "opt-in" phase, supplemented by the tracking of those coupons which are printed and eventually redeemed. See, for example, col. 3, lines 57-62; col. 4, lines 8-16; col. 4, lines 34-37; col. 5, lines 6-13; col. 5, lines 22-33; col. 7, lines 51-54; col. 9, lines 1-15; col. 9, lines 45-53; col. 8, lines 18-20; col. 8, lines 33-38; col. 10, lines 48-57; col. 12, lines 26-37; col. 12, lines 51-54; col. 12, lines 59-62; and col. 13, lines 27-30. Nowhere in the Barnett et al. patent is it either explicitly or impliedly disclosed that "historical purchasing

patterns” could be more broadly interpreted. In close review of the Barnett et al. patent once again reveals no mention whatsoever of frequent shopper programs. Of course, the Barnett et al. patent does not disclose the obtaining from the retail store of frequent shopper program member data, including individual frequent shopper program member account numbers and product purchase histories of the individual frequent shopper program member account numbers which comprise past product purchases, with or without a coupon, using the frequent shopper member account number at the retail store over a predetermined time period - as recited in each of the independent claims of the present invention. Instead, Barnett et al. specifically discloses that the “historical purchasing patterns” are only obtained from the user-specific demographic data provided by the user, and the tracking of the coupons which are printed and then the tracking of those coupons which are eventually redeemed. Thus, Barnett et al. does not provide any means for obtaining frequent shopper program member data in the form of past product purchases, with or without a coupon which are made at the retail store over a predetermined time period.

In columns 3 and 4 of the Barnett et al. patent, it specifically states that the objects of the system are to provide an interactive coupon generation system in which the user can request, select, store, manipulate and print coupons as desired. In contrast, the present invention is based on the premise that shoppers will only redeem coupons when the coupons are provided to them in a very fast and convenient manner. In the Background section of the present invention, Applicant discusses the past failures of interactive kiosk system placed within stores as being intimidating and too time consuming. Applicant believes that more coupons will be redeemed if a shopper merely need swipe a frequent shopper program member card or enter the account number of the frequent shopper and automatically obtain coupons or a list of entitlements while at the store and in a very short time period.

In addition to failing to disclose a process for distributing product entitlements in a retail store to shoppers who are members of the retail store’s frequent shopper program using past product purchase histories of the individual frequent shopper program member account numbers, the Barnett et al. patent also fails to disclose the use of dispensers provided within the retail store which

are accessible and activated by the frequent shopper members by entering the members frequent shopper member account number.

The Office Action at the bottom of page 3 properly admits that Barnett et al. does not explicitly disclose that his coupon dispenser is located anywhere with a data link that can be located within a retail store.

However, the Office Action makes the assertion that Barnett discloses a coupon dispenser within a retail store that can be accessed by users for coupon selection and printing by pointing to column 3, lines 35-44 of the Barnett et al. patent. However, these lines are found in the Background section of the patent and refer to U.S. Patent No. 5,176,224 which discloses a closed-loop coupon system which utilizes a kiosk-type printer station located at the retail store in which the consumer selects the desired coupon at the kiosk, prints the coupon, and then redeems the coupon at the register.

The Applicant has reviewed the '224 Spektor patent which discloses a computer-controlled closed loop merchandising coupon system wherein an electronic sign linked to the system alerts shoppers that a "X cents off" coupon is available on "Y brand". Customers can approach the kiosk and punch a button to obtain the coupon. Once the product is purchased and the coupon is scanned, the information is transmitted directly back to the manufacturer, thus closing the loop. The Spektor patent is intended to give the manufacturer quick access to how accessible coupons are in moving the product. However, the Spektor patent has nothing to do with frequent shopper programs nor does it rely in any way on frequent shopper program member purchase histories, nor does it maintain any historical records by specific coupon requestor. In fact, one of the stated objectives of the Barnett et al. patent is to use a readily available personal computer rather than needing to provide special purchase equipment. In fact, in col. 3, lines 53-55 of the Barnett et al. patent, it specifically states that the prior art references mentioned in the Background section "fail". Thus, Applicant respectfully asserts that it is very clear that the Barnett et al. patent reference does not disclose use of a dispenser within the retail store, and in fact, actually teaches away from the use of such dispensers, such as Applicant's dispenser.

In many instances in the Barnett et al. patent, the need for a personal computer having a display, modem, a keyboard, mouse and printer is described

(e.g. col. 7, lines 2-5; col. 7, lines 27-29; col. 7, line 56 to col. 8, line 5; col. 8, lines 23-33; and col. 9, lines 54-67). In the Barnett system, the user must opt-in by accessing a web-site and providing at least a nominal degree of demographic and personal information. Upon receiving the coupon packet via the Internet, the user must then scroll through the various advertisements and coupons and "clip" those coupons he or she is interested in and print these coupons for later redemption. This procedure is very time-intensive and impractical for any type of in-store application. Thus, contrary to the position taken by the Examiner during the Interview, the Barnett et al. reference actually teaches away from the use of a dispenser within the retail store.

The Examiner in the Interview mentioned that Barnett et al. discloses the direct sending of the entitlements to the retail store. This is discussed in col. 4, lines 64-68; col. 11, lines 38-43; and col. 13, lines 3-8. However, a close review of the Barnett et al. patent, and particularly these passages, will reveal that the selected entitlement is actually sent to the retail store for redemption at the register, and not to a dispenser within the retail store which prints a product entitlement for later presentation at the register. As best can be interpreted by the Applicant, the Barnett et al. coupons are automatically and electronically redeemed at the register upon purchasing the products, which is very different than that provided by Applicant's invention.

Once again Applicant's dispenser does not allow a frequent shopper program member to select and print coupons, which would necessarily entail an interactive system and create a more expensive dispenser, a more intimidating dispenser, and much more time at the dispenser. Instead, the frequent shopper program member merely scans his or her card or otherwise enters the account number and is presented with printed coupons or a list of entitlements which were previously selected by the system. The process can take a matter of seconds and is available to all frequent shopper program members.

In fact, the use of such dispensers within the retail store would change the principle of operation of the Barnett et al. system as Barnett et al. do not include such dispensers within the store and expressly teach away from such systems. With respect to the second criteria of a *prima facie* case of obviousness, as the M.P.E.P. states: "If the proposed modification or combination of the prior art

would change the principal of operation of the prior art invention being modified, then the teachings of the references are not sufficient to render the claim *prima facie obvious*". M.P.E.P. §2143.01 (citing In re Ratti, 123 USPQ 349 CCPA 1959).

Thus, the present invention and the Barnett et al. patent are fundamentally different in concept and operation.

As stated by the M.P.E.P. §2141.02, in determining the differences between the prior art and the claim, the question under 35 U.S.C. §103 is not whether the differences themselves would have been obvious, but whether the claimed invention as a whole would have been obvious. Citing, Stratoflex, Inc. v. Aeroquip Corp., 218 USPQ 871 (Fed. Cir. 1983); Schenck v. Nortron Corp., 218 USPQ 698 (Fed. Cir. 1983). The invention as a whole is not restricted to the specific subject matter claimed, but also embraces its properties and the problem it solves. In re Wright, 6 USPQ 2d 1959 (Fed. Cir. 1988). Further, a prior art reference must be considered in its entirety, i.e., as a whole including portions that would lead away from the claimed invention. M.P.E.P. §2141.02, citing, W.L. Gore & Associates, Inc. v. Garlock, Inc., 220 USPQ 303 (Fed. Cir. 1983), cert. denied, 469 US 851 (1984).

The present invention resides in a process for using a particular retail store's frequent shopper program to distribute coupons within that store to the retail store's frequent shopper program members using an in-store dispenser. Each coupon must be redeemed in that retailer's stores, any exception is only with the express permission of that retailer. Unlike the Barnett et al. patent, there is no need for the users of the present invention to own a personal computer, printer, or have Internet service or computer-know-how. There is also no need to provide sensitive demographic information as the system only utilizes the frequent shopper program member account numbers - the user's identity and personal information remaining completely anonymous and confidential. Furthermore, there is no need for the user of the present invention to review a packet of coupons to decide which coupons to select and print, and then store before using at a retail store.

Thus, taken as a whole, including portions of the cited reference that would lead away from the claimed invention, the present invention is very different and not rendered obvious by the Barnett et al. patent.

Barnett et al. does not appreciate the fact that the Applicant's invention overcomes the need of owning personal computer equipment and having on-line services as well as computer know-how to operate the system. The present invention also overcomes the tedious and time consuming task of reviewing coupons and selecting and printing those coupons which are desired. In the rare case where the prior art does not appreciate the existence of the problem solved by the invention, the Applicant's recognition of the problem is, in itself, strong evidence of the non-obviousness of the invention. In re Nomiya et al., 184 USPQ 607, 612-613 (CCPA 1975).

While a single reference may serve as the basis of a rejection under 35 U.S.C. §103, a single reference must still disclose all the features of the claimed invention. As stated by M.P.E.P. §2143.03 to establish *prima facie* obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art. (citing In re Royka, 180 USPQ 580 (CCPA 1974). All words in a claim must be considered in judging the patentability of that claim against the prior art. In re Wilson, 165 USPQ 494, 496 (CCPA 1970).

All independent claims (1, 20, 37, 50 and 57) recite a process for distributing product entitlements in a retail store to frequent shopper program members of the retail store. The use of frequent shopper program members of a particular retail store is simply not disclosed whatsoever in the Barnett et al. patent.

The independent claims further recite that frequent shopper program member data is obtained and includes frequent shopper program member account numbers and the past product purchase history, with or without a coupon, of these account numbers at the retail store over a predetermined time period. This product purchase history data is then compared to a database of available product entitlements. In the present invention, the system selects a list of available product entitlements to be associated with each member account number based upon this comparison. Barnett et al. does not disclose comparing product purchase history of frequent shopper program members. Instead, the

subscribers to its on-line, Internet-based system are given packets of coupons based upon their demographic information as well as the coupons which they have previously clipped and printed. However, this is not an indication of product purchase history as the user of the Barnett et al. system may not actually ever use these coupons. Moreover, the Barnett et al. system has no way of discovering product purchase history of the user outside of the clipped coupons.

A frequent shopper program member using the present invention, as recited in the independent claims, activates a dispenser within the retail store by entering the frequent shopper member account number (such as swiping a card bearing a magnetic strip, scanning a bar code containing the frequent shopper program member account number, or keying in the frequent shopper program member account number or other number associated therewith (as recited in claims 17-19, 34-36, 47-49, 54-56, and 64-66). Barnett et al. simply does not disclose such a dispenser activated by entering frequent shopper member account numbers within the retail store.

From the foregoing, Applicant respectfully asserts that it is abundantly clear that the Barnett et al. patent does not render the present invention, as recited in the independent claims, obvious. To assert otherwise would be a failure to take into account the references as a whole and ignore the teachings which actually teach away from the present invention. It would also require that hindsight be used wherein the claims of the present application would be used as a framework from which to pick and choose among the reference to recreate the claimed invention. Of course, this is impermissible within the framework of 35 U.S.C. §103.

As the independent claims of the present application are not rendered obvious by the Barnett et al. patent, those claims depending therefrom are also patentably distinct as well. These dependent claims also present structure methodology which are not found in the Barnett et al. patent.

For example, in claims 4, 21, 37, 50 and 57 the present application recites that the selected list of entitlements are sent to a host system computer within the retail store. Barnett et al. does not disclose this step.

Claims 9-14, 26-31, 41-46 and 57-66 disclose the generation of a list, as opposed to individual coupons, which includes a listing of products and rebate

information for each selected entitlement. As disclosed in the Specification, such a list would include the product information, rebate information, any necessary or desired logos and designs, and an expiration date. The list may be organized to lead the shopper through the retail store, and may even include the aisle number for each product subject to the entitlement. The list may include a bar code which identifies the frequent shopper program member account number.

Although the Barnett et al. patent discloses the generation of a "shopping list", this list is much different than that provided by Applicant's invention. The "shopping list" of Barnett et al., as disclosed in column 10, allows the user of the system to generate a list from a menu presented on the screen of the items the user desires to purchase. In the present invention, the user does not create the list from items which he or she desires to purchase, rather the list is electronically generated and includes the product entitlements which have been pre-selected and assigned to that particular frequent shopper program member. Nor does the "shopping list" of Barnett et al. include a bar code identifying the shopper's frequent shopper program account number.

Nor does the Barnett et al. patent disclose transferring frequent shopper program member transactional data from the retail store computer to the retail store's central server, as recited in claims 16, 33, 37, 53 and 63.

CONCLUSION

From the foregoing, Applicant asserts that it is very clear that the process of the present invention, as recited in the claims, is not rendered obvious by the Barnett et al. system. Accordingly, Applicant believes that the present application is in condition for allowance, notice of which is hereby respectfully requested.

Respectfully submitted,

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A handwritten signature in black ink, appearing to read 'Aaron T. Borrowman', is written over the firm name and extends to the right.

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